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UNCLAS MUSCAT 000857

SENSITIVE
SIPDIS
FOR PM/DTCC - BLUE LANTERN COORDINATOR KYLE M. BALLARD

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [MU](#)
SUBJECT: Blue Lantern License 05008885 Interim End-Use Check

REF: STATE 53545

¶1. (SBU) In response to reftel request, Embassy began a post shipment check on DSP-5 license 05008885 but was informed by the foreign consignee that the shipment is in U.S. Customs and Border Control (CBP) custody at JFK International Airport. When the 184 carbines were shipped in October 2008, the forwarding agent (Compass Forwarding) did not obtain a transit permit for Germany. German customs halted the shipment and held it for an extended time. The license applicant, Intersec LLC obtained a DSP-61 (number 610002948) and the shipment was returned to the U.S. in April 2009. However, due to what appears to be a lengthy list of errors committed by the airline, the forwarding agent, CBP and lack of oversight by Intersec, CBP continues to hold the shipment.

¶2. (SBU) Embassy Muscat greatly appreciates PM/DTCC's efforts to help get this shipment released to the end user, the Royal Court of the Sultanate of Oman. Royal Court officials are understandably impatient with the delay, which has now grown to ten months. Embassy has copies of the Royal Court's purchase order.

¶3. (SBU) In response to reftel request, Poloff visited the foreign consignee, Trade Wings LLC, in order to inspect its operations and procedures, and also made enquiries to establish its bona fides. Trade Wings has been in operation for 13 years and is licensed by the Government of Oman to import military equipment. Embassy has a copy of the Ministry of Commerce and Industry commercial registration and import registration for Trade Wings. The company's customers in Oman are the Royal Court, the Ministry of Defense and the Royal Oman Police. Trade Wings is the exclusive sales agent for Stag Arms for all of the six GCC countries. When Trade Wings takes an order from these customers, it purchases the items through Intersec (Stag Arms' international sales representative) which arranges licensing and shipment. Trade Wings does not take physical possession of the weapons upon arrival. When this order finally arrives, the Royal Court will take possession at the airport directly.

¶4. (SBU) Trade Wings retails ammunition and accessories in its showroom in Muscat. Ammunition is stored in a vault. The showroom is alarmed and has surveillance cameras. At night there is a full-time guard and the Royal Oman Police visit every thirty minutes. As noted above, Trade Wings is properly licensed and the local authorities have no derogatory information on the company. The General Manager (and owner), Ibrahim Al Saadi, is fully familiar with the regulations governing the import of U.S. - origin defense articles, including restrictions on re-transfer or re-export. Embassy judges Mr. Al Saadi and Trade Wings to be reliable consignees of U.S. defense articles.

HURTADO